

Message Text

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ORIGIN PM-05

INFO OCT-01 ARA-10 EA-10 NEA-10 ISO-00 SIG-03 NSC-05
SP-02 SS-15 CIAE-00 INR-10 NSAE-00 HA-05 AID-05
ACDA-12 OMB-01 TRSE-00 L-03 H-01 /098 R

DRAFTED BY PM/SAS: COCECIL:TLB
APPROVED BY PM/SAS: HMCCELROY
NEA/ARN - C.MONROE (SUBS)
NEA/AFN - T.WILKINSON (SUBS)
EA/RA - M.EILAND (SUBS)
ARA/RPP - COL. QUIGG (SUBS)
T. - L.BROWN (SUBS)
-----021282 100402Z /15

R 092114Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY AMMAN
AMEMBASSY RABAT
AMEMBASSY TAIPEI
AMEMBASSY PANAMA
AMEMBASSY KUALA LUMPUR
INFO SECDEF WASHDC 0956

C O N F I D E N T I A L STATE 201542

E.O. 11652: GDS

TAGS: MASS, JO, MO, TW, PN, MY

SUBJECT: REALLOCATION OF FY 1978 FMS FINANCING

1. ON JULY 13 THE SPECIAL COORDINATION COMMITTEE (SCC)
OF THE NSC APPROVED THE REALLOCATION OF \$12 MILLION IN FY
1978 FMS FINANCING TO BE OFFERED TO KENYA AS EVIDENCE OF
HIGH-LEVEL USG CONCERN FOR GOK SECURITY NEEDS. THIS
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FOLLOWED A JOINT STATE-DEFENSE SURVEY TEAM VISIT TO KENYA
IN APRIL TO REVIEW KENYA'S DEFENSIVE NEEDS AND IS IN-
TENDED TO ASSIST THE GOK IN UNDERTAKING PURCHASES OF
DEFENSE EQUIPMENT OR SERVICES RECOMMENDED TO REMEDY
DEFICIENCIES IDENTIFIED IN THE REPORT. SUBSEQUENTLY IT
WAS DECIDED, AFTER EXTENSIVE CONSULTATIONS WITH ACDA AND
THE REGIONAL BUREAUS CONCERNED, THAT THE MOST PALATABLE

WAY TO COVER THE KENYAN REQUIREMENT WOULD BE TO REPROGRAM CREDITS FROM AMOUNTS PREVIOUSLY INTENDED TO BE PROVIDED TO ACTION ADDRESSEES HOST COUNTRIES. THIS DECISION WAS A DIFFICULT ONE, VIGOROUSLY DISCUSSED BY ALL CONCERNED, AND WAS MADE WITH FULL AWARENESS THAT REDUCTIONS IN PREVIOUSLY PROMISED FMS FINANCING COULD NOT BE MADE WITHOUT AN ATTENDANT POLITICAL COST. DECISION WAS MADE AT HIGH-LEVEL. OVERRIDING CONSIDERATION WAS IMMEDIATE NEED TO BE RESPONSIVE TO KENYA.

2. TWELVE MILLION DOLLARS WAS OBTAINED AS SHOWN BELOW. AMOUNTS IN PARENTHESES INDICATE FMS FINANCING REMAINING FOR FY 78 USE.

JORDAN: \$4M (\$71M)

MOROCCO: 2M (\$43M)

PANAMA: 1M (ZERO)

MALAYSIA: 3 1/2 (\$16.5M)

TAIWAN: 1 1/2 (\$23.5M)

SEPTELS TO INDIVIDUAL POSTS WILL INDICATE WHERE WE NOW STAND IN MOVING TOWARD CONCLUDING LOAN AGREEMENTS WHICH
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MUST BE SIGNED ASAP TO PREVENT LOSS OF FUNDS. IN CONVEYING THIS INFORMATION TO HOST COUNTRY OFFICIALS, EMBASSY MAY NOTE THAT LIMITED RESOURCES AVAILABLE TO USG REGRETABLELY OCCASIONALLY MAKE SUCH REPROGRAMMING DECISIONS NECESSARY. REDUCTION OF HOST COUNTRIES FUNDS INDICATES NO SLACKENING OF INTEREST IN DEFENSE NEEDS BUT IS PRIMARILY RESULT OF FACT THAT FUNDS COULD ONLY BE REALLOCATED FROM COUNTRIES WHICH HAD NOT YET SIGNED FY 78 LOAN AGREEMENTS. IMPACT WAS SPREAD OVER FIVE COUNTRIES TO MINIMIZE EFFECT IN ANY SINGLE CASE. IN VIEW CURRENT CONGRESSIONAL ACTIONS TO REDUCE OUR FY 79 SECURITY ASSISTANCE PROGRAM, YOU SHOULD HOLD OUT NO HOPE FOR COMPENSATORY INCREASE IN FY 79 FUNDS. VANCE

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ORIGIN ARA-04

INFO OCT-01 ISO-00 /005 R

66011

DRAFTED BY: ARA/FMCNEIL/MCH

APPROVED BY: ARA/FMCNEIL

-----044508 111338Z /64

O 111330Z AUG 78

FM SECSTATE WASHDC

TO AMEMBASSY LA PAZ IMMEDIATE

C O N F I D E N T I A L STATE 201542

FOR AMBASSADOR

FOLLOWING REPEAT STATE 201542 ACTION AMMAN RABAT TAIPEI
PANAMA KUALA LUMPUR SECDEF AUG 8

QUOTE C O N F I D E N T I A L STATE 201542

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OVERRIDING CONSIDERATION WAS IMMEDIATE NEED TO BE RESPONSIVE TO KENYA. VANCE. UNQUOTE VANCE

ORIG. DIST.: PM/ISO,ARA,EA,NEA,SIG,SS,SP,NSC,INR,CIAE,NSAE,HA,AID,ACDA,OMB,TRSE,L,H.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE201542
Document Source: CORE
Document Unique ID: 00
Drafter: COCECIL:TLB
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780327-0018
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780881/aaaacpud.tel
Line Count: 174
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 57d7ea65-c288-dd11-92da-001cc4696bcc
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1788653
Secure: OPEN
Status: NATIVE
Subject: REALLOCATION OF FY 1978 FMS FINANCING
TAGS: MASS, JO, MO, TW, PN, MY
To: AMMAN RABAT MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/57d7ea65-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014